

# NOTICE OF ANNUAL GENERAL MEETING

SERIAL SYSTEM LTD

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Serial System Ltd (the "Company") will be held at 8 Ubi View #05-01 Serial System Building Singapore 408554, on Friday, 28 April 2017 at 11.00 a.m. to transact the following business:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2016 and Directors' Statement and the Independent Auditor's Report thereon. **(Resolution 1)**
  
2. To declare a one-tier tax-exempt Final Cash Dividend of S\$0.17 cent per ordinary share for the financial year ended 31 December 2016 (2015: One-tier tax-exempt Final Cash Dividend of S\$0.50 cent per ordinary share). **(Resolution 2)**
  
3. To approve the payment of Directors' Fees of S\$219,000 (US\$152,000) for the financial year ended 31 December 2016 [2015: S\$243,000 (US\$177,000)]. **(Resolution 3)**
  
4. To re-elect Mr. Ravindran s/o Ramasamy as Director, who retires by rotation pursuant to Article 89 of the Company's Constitution.  
  
Mr. Ravindran s/o Ramasamy will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. **(Resolution 4)**
  
5. To re-elect Mr. Ng Cher Yan as Director, who retires by rotation pursuant to Article 88 of the Company's Constitution.  
  
Mr. Ng Cher Yan will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. **(Resolution 5)**
  
6. To re-appoint Messrs Moore Stephens LLP as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting, and to authorise the Directors to fix their remuneration. **(Resolution 6)**

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolution No. 7, Resolution No. 8 and Resolution No. 9 as Ordinary Resolutions and Resolution No. 10 as a Special Resolution, with or without any modifications:

### 7. Share Issue Mandate

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares ("Shares") whether by way of rights, bonus or otherwise, and/or grant offers, agreements of options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

- (a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the share capital of the Company;

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- (b) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) of the Company as at the date of the passing of this Resolution, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities;
  - (ii) new shares arising from exercising share options outstanding at the time this Resolution is passed; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (c) and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the term of such convertible securities.

(See Explanatory Note (i) below)

**(Resolution 7)**

8. Authority to offer and grant share options and to allot and issue Shares under the Serial System Employee Share Option Scheme 2014

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be and are hereby authorised to offer and grant share options in accordance with the provisions of the Serial System Employee Share Option Scheme 2014 (the "2014 Scheme"), and to allot and issue from time to time such number of Shares in the Company as may be required to be issued pursuant to the exercise of share options granted under the 2014 Scheme, provided that the aggregate number of Shares issued and issuable pursuant to the 2014 Scheme, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of the Company, shall not exceed fifteen per centum (15%) of the total issued share capital of the Company from time to time and provided also that, subject to such adjustments as may be made to the 2014 Scheme as a result of any variation in the capital structure of the Company.

(See Explanatory Note (ii) below)

**(Resolution 8)**

9. Proposed renewal of the Share Buyback Mandate

That:

- (a) for the purposes of the Companies Act, Chapter 50 of Singapore (the "Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
  - (i) market purchases (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or
  - (ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

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- (b) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
  - (ii) the date on which the share buybacks have been carried out to the full extent of the Share Buyback Mandate; or
  - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked;
- (c) in this Resolution:

“Prescribed Limit” means 80,632,791 Shares;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, in the case of a Market Purchase, preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from its Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient, necessary, desirable or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

(See Explanatory Note (iii) below)

**(Resolution 9)**

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10. Proposed adoption of the New Constitution

That:

- (a) the regulations contained in the new Constitution of the Company as set out in the Appendix I dated 6 April 2017 accompanying this Notice of Annual General Meeting be and are hereby approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution; and
- (b) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient, necessary, desirable or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

(See Explanatory Note (iv) below)

**(Resolution 10)**

11. To transact any other ordinary business which may be properly transacted at an Annual General Meeting of the Company.

By Order of the Board

**Alex Wui Heck Koon**  
Company Secretary

Singapore  
6 April 2017

**Explanatory Notes on Special Business to be transacted:**

- (i) The proposed Ordinary Resolution No.7, if passed, will empower the Directors of the Company from date of the above Annual General Meeting until the date of next Annual General Meeting, to allot and issue ordinary shares and convertible securities in the Company up to an amount not exceeding fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis. For the purpose of this resolution, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options outstanding at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.
  - (ii) The proposed Ordinary Resolution No.8, if passed, will empower the Directors of the Company to offer and grant share options under the 2014 Scheme (which was approved at an Extraordinary General Meeting of the Company held on 26 April 2014) and to allot and issue Shares pursuant to the exercise of share options under the 2014 Scheme up to an amount which, when added to the aggregate number of Shares issued and issuable pursuant to all other share schemes of Company, shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares) of the Company from time to time and provided also that, subject to such adjustments as may be made to the 2014 Scheme as a result of any variation in the capital structure of the Company.
  - (iii) The proposed Ordinary Resolution No.9, if passed, will authorise the Directors of the Company from the date of the above Annual General Meeting to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Buyback Mandate does not exceed the Prescribed Limit, and at such price or prices as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price. The information relating to this proposed Ordinary Resolution is set out in the Appendix I enclosed together with the Annual Report.
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- (iv) The proposed Special Resolution No.10, if passed, will allow the Company to adopt a new Constitution following the wide-ranging changes to the Companies Act Chapter 50 of Singapore introduced by Companies (Amendment) Act 2014. The amendments came into effect in two phases, on 1 July 2015 and 3 January 2016 respectively. The new Constitution will also be updated for consistency with the prevailing rules of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") in compliance with Rule 730(2) of the Listing Manual of the SGX-ST and to address other regulatory changes, such as the personal data protection regime in Singapore. The Company is also taking the opportunity to incorporate certain other general changes. The information relating to Special Resolution No.10 is set out in the Appendix I enclosed together with the Annual Report.

## Notes:-

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" has the same meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Ubi View #05-01 Serial System Building Singapore 408554, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Annual General Meeting. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked.
4. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxies to vote on its behalf. If the member is a corporation, the instrument appointing a proxy must be executed under common seal or the hand of its duly authorised officer or attorney.
5. A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for the holding of the Annual General Meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.

## Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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# NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

SERIAL SYSTEM LTD

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**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and Register of Members of the Company will be closed on 9 May 2017 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544 up to 5.00 p.m. on 8 May 2017 will be registered to determine shareholders' entitlements to the proposed dividend.

Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares at 5.00 p.m. on 8 May 2017 will be entitled to the proposed dividend.

The proposed dividend, if approved by the members at the Annual General Meeting to be held on 28 April 2017, will be paid on 30 May 2017.

By Order of the Board

**Alex Wui Heck Koon**  
Company Secretary

Singapore  
6 April 2017

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